

NORTH WALES FIRE AND RESCUE AUTHORITY

Minutes of the meeting of North Wales Fire and Rescue Authority held on Monday 18 December, 2017 at Conwy County Borough Council Chamber, Bodlondeb, Conwy. Meeting commenced at 10.30am.

Councillor	Representing
M Ll Davies (Chair)	Denbighshire County Council
B Apsley	Wrexham County Borough Council
B Blakeley	Denbighshire County Council
P Evans	Denbighshire County Council
V Gay	Flintshire County Council
R Griffiths	Anglesey County Council
E W Jones	Anglesey County Council
P Lewis	Conwy County Borough Council
S Lloyd-Williams	Conwy County Borough Council
G Lowe	Wrexham County Borough Council
R Parry	Conwy County Borough Council
D Rees	Anglesey County Council
A J Roberts	Wrexham County Borough Council
J R Skelland	Wrexham County Borough Council
W O Thomas	Flintshire County Council
G G Williams	Gwynedd Council

Also Present:

S. A. Smith (Chief Fire Officer and Chief Executive); C P Everett (Clerk and Monitoring Officer to the Authority); K W Finch (Treasurer to the Authority); R Simmons, R Fairhead and G Brandrick (Assistant Chief Fire Officers); S Morris (Assistant Chief Officer); T Williams (Corporate Communications Manager); S Forrest (Accountant, Finance Department, Conwy County Borough Council);

APOLOGIES

Councillor	Representing
M Bateman	Flintshire County Council
A Daniels	Gwynedd Council
A Davies	Denbighshire County Council
I Dunbar	Flintshire County Council
J B Hughes	Gwynedd Council
D Lloyd	Gwynedd Council
P Pemberton	Wrexham County Borough Council
A Tansley	Conwy County Borough Council
P Shotton	Flintshire County Council
N Smith	Conwy County Borough Council
D Wisinger	Flintshire County Council

1 DECLARATIONS OF INTEREST

1.1 There were no declarations of interest.

- 2 MINUTES OF THE MEETING HELD ON 18 SEPTEMBER 2017
- 2.1 The minutes of the Fire and Rescue Authority meeting held on 18 September 2017 were submitted for approval.
- 2.2 **RESOLVED to approve the minutes of the meeting as a true and correct record.**
- 3 MATTERS ARISING
- 3.1 In relation to minute number 4.1 (firefighters' pay offer) members were provided with an update in relation to the pay offer. It was noted that the formal pay offer had been declined. North Wales Fire and Rescue Authority (NWFRA) had budgeted for 1%, however, a suggestion had been made to uplift by 1%, while negotiations continued. This had been accepted but was not regarded as a resolution to the pay dispute.
- 4 URGENT MATTERS
- 4.1 The Chief Fire Officer provided Members with a briefing on an incident that had occurred at the Gateway to Wales Hotel, Deeside at 4.30am that morning. A call had been received that a building was on fire, the roof was ablaze and seven engines and 55 fire fighters were involved. There were still three fire engines on site. It was noted that 74 members of the public and one member of staff were all accounted for. Excellent partnership working was commended with road closures and the utilisation of a police drone for aerial pictures and the Ambulance Services were on site throughout.
- 4.2 The Clerk in his capacity as Chief Executive of Flintshire county Council reported that there were no injuries from the incident at the Gateway to Wales Hotel and that there were a number of homeless people, some of which were vulnerable people, which the local authority had a duty to re-house.
- 4.3 Members were also informed of the publication of Dame Judith Hackitt's interim report into the Grenfell Tower fire.
- 4.4 Members wished to record their appreciation to the North Wales Fire and Rescue for their work at the incident and highlighted the benefits of collaborative working. *Note: At the end of the meeting, Members were informed that all the residents at the hotel had been taken care of and re-housed where necessary.*
- 4.5 As Alwen Davies was unwell, Conwy County Borough Council's Committee Services was asked to take the minutes for the meeting. Best wishes were extended to Alwen for a speedy recovery.
- 4.6 Best wishes were also extended to the Assistant Chief Fire Officer, Gary Brandrick, who was retiring after 30 years' service.
- 4.7 **RESOLVED to note the information.**

5 CHAIR'S REPORT

5.1 The report listed meetings and events attended by Councillor M Ll Davies and Cllr. P R Lewis, in their roles as Chair and Deputy Chair of the Authority between September and December 2017.

5.2 The Chair informed Members that he had met the Welsh Government's newly appointed Cabinet Secretary for Local Government and Public Services, Alun Davies AM. The Monitoring Officer informed Members that there would be a Local Government Bill 2019. However, there was no additional information on Local Government Reform at present. In response, the Chief Fire Officer stated that fire and rescue authority reform centred around finance and governance and that the Cabinet Secretary had indicated a desire to complete the process and was looking for early dialogue.

5.3 **RESOLVED to note the information provided.**

Members agreed to take the finance reports in reverse order.

6 MINIMUM REVENUE PROVISION (MRP) POLICY

6.1 Members were requested to approve a revision to the MRP Policy for 2017/18 and to approve the MRP Policy for 2018/19.

6.2 Following a review of the Fire and Rescue Authority's current MRP Policy, it had been identified that, by changing the method of making the MRP, a significant saving opportunity could be delivered. The annual saving to the revenue budget had been calculated at £366k and should the revision be approved for 2017/18, savings could be achieved against the 2017/18 budget. The change also introduced a more equitable method for apportioning the costs associated with the capital programme.

6.3 The Wales Audit Office were unable to provide an opinion on the revision at this stage. However, the proposed changes were in line with the changes made by Conwy County Borough Council and other Authorities in North Wales, whose accounts had been audited following the revision to the policy, with no issues or risks highlighted.

6.4 For unsupported borrowing on land and buildings, a comparison of the options available was undertaken and included:

- 4% reducing balance (option 2)
This method implied that borrowing would be repaid over a 25 year period, however, as the calculation applied the 4% to the reducing balance, it took much more than 25 years to fully repay the borrowing.
- Annuity/Inflation Method (option 3)
This was advised as not suitable from a budgetary perspective and as costs were weighted towards the latter part of the repayment period future generations would be paying more for assets utilised today, therefore this had been excluded.

- Straight line – equal payment (option 3)
This option was more closely aligned to the life of the Authority's assets and costs were spread more evenly among tax payers, who would benefit from the assets. The method was regarded as more equitable on a cost share basis.

6.5 RESOLVED

- (i) **that the Straight Line – equal payment (option 3) be the preferred option;**
- (ii) **to change the repayment profile of the outstanding balance of capital expenditure on Land and Buildings of £17.2m as at 31 March 2017, to the straight line method repaid over the life of the asset life;**
- (iii) **that new capital expenditure on Land and Buildings funded by unsupported borrowing incurred from 2017/18 onwards be repaid over the life of the asset;**
- (iv) **that this represents an in year change to the MRP Policy from Option 2 capital financing requirement method to Option 3 Asset Life Method.**

7 PROVISIONAL OUTTURN 2017-18

7.1 Members received an estimated provisional outturn for the financial year 2017-18. Current indications were that there would be no underspend and £317,349 of reserves would be needed to support the budget for 2017-18 without the revision to the MRP Policy. With the revised MRP Policy there would be an estimated contribution to reserves of £49k. During the budget setting process it was estimated that £414,223 of reserves would be required to set a balanced budget. A detailed breakdown was highlighted in Appendix A of the report.

7.2 Members raised the following queries:

- in response to a query on transport costs, which were greater than the outturn figure, it was noted that the purchasing of plant would be transferred from revenue to capital which would reduce the spend, as the item would be paid for over the life of the vehicle. It was noted also that longer standing repairs and maintenance were now classed as a revenue item.
- in response to a query on professional fees, which were also greater than the outturn figure, it was advised that although the interest rates were lower, there was an increased cost of paying financial brokers. Options were being investigated to reduce the figure.

7.3 RESOLVED that the financial position of the Authority be noted

8 MEDIUM TERM FINANCIAL STRATEGY 2018-2021 AND BUDGET 2018-2019

8.1 The Treasurer presented the Medium Term Financial Strategy 2018-21 and the draft budget for 2018-19.

8.2 The Authority's Medium Term Financial Strategy (MTFS) set out the pay assumptions used in constructing the Authority's draft revenue budget for 2018-19. Pay was just one of the unknown factors in setting a balanced budget for next year. The risks and uncertainties were outlined and means to fund the current level of service provision in the short term were outlined.

- 8.3 In order to contribute to the austerity measures across the whole of the public sector NWFRA froze its budget from 2011–12 until 2014–15. In 2015-16 there was a very small increase in the region of £113k and in 2016-17, the Authority used reserves to freeze the budget. During this period the NWFRA found £3m (10% of its budget) in savings and saw its workforce reduce by 9%, which resulted in a sharper decrease in staff than in Mid and West and South Wales Fire and Rescue Services.
- 8.4 NWFRS is funded from contributions from the six constituent authorities in North Wales and information was distributed (Appendix B: Proposed Contributions for Constituent Authorities), which provided proposed contributions based on 1.00%, 1.50%, 2.00% and 2.50% from each of the Authorities.
- 8.5 The difficulty surrounding the ongoing pay negotiations for firefighters was highlighted. The pay award for 2017-18 had not yet been agreed. The original offer of 2% exceeded the amount in the 2017-18 budget by 1% (approximately £130,000) which had subsequently been rejected. The 2017-20 outturn assumed an increase of 1% and the budget for 2018-19 assumed a further 1%. General reserves would be a potential source of funding, should the pay settlement be in excess of 1%.
- 8.6 The following responses were noted to Members' questions:
- Clarification was provided on the funding for uniformed staff and it was noted that a minor re-structure had taken place under the previous budget. The Chief Fire Officer highlighted the ongoing dilemma of continuing with austerity measure and the use of the underspend in relation to duty staff in order to support the budget, the consequence of which linked to poor availability of staff.
 - Clarification was provided on repairs and maintenance and it was noted that only items that enhanced a building were regarded as capital expenditure, maintenance was regarded as revenue expenditure.
 - Clarification was provided on the estimated proposed contributions from constituent authorities, which had been provided by the Welsh Government and were based on population figures.
 - NNDR had increased in Wrexham due to the newly developed fire station.
 - In response to concerns that local authorities had already imposed cuts on services and an additional 1% increase would need to be looked at for the future, the Chief Fire Officer highlighted the problems associated at a local level with the pay award and expectations by some that this would be financed at a UK level. It was noted that positive meetings had taken place with local authorities. The need to put finance aside to pay the backdated pay award was highlighted. The Chief Fire Officer drew attention to the staff reduction of 9% and the health and safety risk to firefighters of further reduction in the Incident Command System. The Improvement Planning Working Group (IPWG) had considered a range of savings options in March 2017 which had been declined.
 - Members reiterated their concerns surrounding their representative local authority budget cuts and the effects of this on their communities.

- Clarification was provided on the increase in procurement support (from £7,500 to £17,000) and it was noted that there was a procurement service agreement with the North Wales Police and only part of the budget was utilised.
- Clarification was provided on the increase in debt charges (from £3m to £3.4m) which was due to the spend under the minimum revenue policy (MRP) on short life assets, such as vehicles, plant and machinery.
- The Treasurer advised that a 0% contribution from local authorities would equate to a 4% net spend and a limit of £600k, or below, was an unacceptable risk to the Fire and Rescue Authority. It was noted that powers for altering the budget level downwards are traditionally delegated to the Treasurer in consultation with the Chair, Chief Fire Officer and Clerk, should an improved financial settlement be received.
- A Member suggested that the Fire and Rescue Authority's Audit Committee could review the 'nice to do' areas of the Service and to revisit the full time provision in Wrexham and the intentions of the Welsh Government's Cabinet Secretary in relation to a changing financial situation were highlighted.
- The Chief Fire Officer stated that substantial savings would be sought in 2019-20 and that £1.5m needed to be reviewed by the IPWG in January 2018, which would potentially come from service reductions, fire station and appliance removal.

8.7 It was proposed and seconded that local authority contributions be increased by 1% and that delegated authority be given to the Treasurer, in consultation with the Chair, Chief Fire Officer and Clerk to alter the budget level downwards should any savings transpire.

8.8 This proposal was put to the vote and the result was as follows: for – 14; against – 2 and abstention 0.

8.9 **RESOLVED that**

(i) the medium term financial strategy be endorsed;

(ii) the local authority contributions be increased by 1% and that delegated authority be given to the Treasurer, in consultation with the Chair, Chief Fire Officer and Clerk to alter the budget level downwards should any savings transpire.

9 FUNDING THE COMMUNITY ASSISTANCE TEAM

9.1 Assistant Chief Fire Officer Brandrick updated Members on the progress of the Community Assistance Team (CAT) pilot, which sought to assist people who had fallen in their own home and were unable to get up on their own but had not sustained an injury.

9.2 The CAT pilot continued to produce excellent results in assisting people who had fallen. The numbers remaining in their homes and not requiring hospital care continued to be in excess of 85%. A funding bid for two years from April 2018 for a pan North Wales CAT provision had been submitted to the Efficiency through Technologies Fund. Partial funding to the end of the financial year (2017–18) had been secured through the Intermediate Care Fund.

Members would be requested to consider that the pilot be financially supported, if needed, by providing up to a maximum of £66k until the end of May 2018.

9.3 **RESOLVED**

- (i) **to note the continuing excellent service and results provided by CAT;**
- (ii) **to operate the CAT pilot until the end of the team members fixed term contracts, which ended on 30 May 2018. The revenue costs associated with this would be £40k plus potential maximum redundancy costs of £26k.**

10 MEMBERSHIP OF THE PLANNING WORKING GROUP

10.1 Members were requested to agree the membership of the Authority's Planning Working Group.

10.2 Since 2003 the Authority had nominated Members to sit on working groups to develop plans, in accordance with the planning requirements in existence at the time, and this has become an integral part of the budget setting and planning process for the Authority.

10.3 The Planning Working Group would meet over the coming months to consider and develop the objectives, with a view to publishing a draft Improvement and Well-Being Plan 2019-20 for public consultation during 2018 and final publication in March 2019.

10.4 **RESOLVED that**

- (i) **the full membership of the Executive Panel becomes the membership of the Planning Working Group;**
- (ii) **the dates of the Planning Working Group meetings are as follows:
Monday 15 January 2018, 2pm
Monday 5 February 2018, 2pm
Monday 26 February 2018, 10am
Monday 5 March 2018, 2pm.**

11 APPOINTMENT OF ASSISTANT CHIEF OFFICER (FINANCE AND RESOURCES)

11.1 Members were informed that Helen McArthur (currently employed within the Health Service) had been appointed to this post and she would commence in the Spring. It was noted that the post of Deputy Chief Fire Officer would not be filled at this time.

11.2 **RESOLVED to note this information.**

12 DATES OF MEETINGS IN 2018

12.1 Members were informed of the dates for meetings of the full Fire and Rescue Authority, Executive Panel and Audit Committee for 2018 and for Members to note the seating plan (appendix 1 of the report) for Authority meetings in order to facilitate the webcasting process.

12.2 Dates were scheduled, as follows:

NWFRA

Monday 19 March 2018

Monday 18 June 2018

Monday 17 September 2018

Monday 17 December 2018

Executive Panel

Monday 12 February 2018

Monday 14 May 2018 (2pm start)

Monday 16 July 2018

Monday 22 October 2018

Audit Committee

Monday 29 January 2018

Monday 4 June 2018

Monday 10 September 2018

12.3 **RESOLVED that the dates of the meetings for 2018, as outlined above, together with the seating arrangements, be approved.**

13 STANDARDS COMMITTEE: APPOINTMENT OF INDEPENDENT MEMBERS

13.1 Members considered the appointment of two Members of the Authority's Standards Committee.

13.2 The Authority undertook a joint recruitment campaign with Flintshire County Council to recruit members to their respective Standards Committee. NWFRA required two independent members and Flintshire required one independent Member.

13.3 **RESOLVED that Sally Ellis and Julia Hughes be appointed for a period of four years from 1 January 2018.**

14 MINUTES – FOR INFORMATION

14.1 The minutes of the following meetings were submitted for information:

- Audit Committee meeting held on 11 September 2017
- Executive Panel meeting held on 23 October 2017

14.2 **RESOLVED to note the minutes for information.**